

FEDERAL ELECTION COMMISSION
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FIRST GENERAL COUNSEL'S REPORT

SENSITIVE

MUR 4934
Date Complaint filed: October 12, 1999
Date of Notification: October 19, 1999¹
Date Activated: December 29, 1999

Expiration of Statute of April 30, 2003
Limitations:
Staff Member: April J. Sands

COMPLAINANT:

Anibal Acevedo Vilá

RESPONDENTS:

Carlos Romero Barceló
Miguel J. Carbonell
Comité Elección de Carlos Romero-Barceló
al Congreso, Inc. and Raul
Maldonado-Gautier, as Treasurer
Domingo García Camacho
Angel Morey
Carlos Rodríguez Mateo
Andres Sánchez Delgado

RELEVANT STATUTES

2 U.S.C. § 441a
2 U.S.C. § 441b
2 U.S.C. § 441f
2 U.S.C. § 441g
11 C.F.R. § 110.4(b)(1)(iii)
11 C.F.R. § 103.3(b)

INTERNAL REPORTS CHECKED:

Disclosure Reports

FEDERAL AGENCIES CHECKED:

Department of Justice

¹ Due to administrative oversight, former treasurer Miguel J. Carbonell was notified along with the other Respondents. The current treasurer, Raul Maldonado-Gautier was notified on March 15, 2000. A response was received by Mr. Maldonado-Gautier on April 27, 2000.

I. GENERATION OF MATTER

This matter was generated by a complaint from Anibal Acevedo Vilá, Minority Leader of the House of Representatives of the Commonwealth of Puerto Rico. The complainant alleges that current Resident Commissioner Carlos Romero Barceló violated the Federal Election Campaign Act of 1971, as amended ("the Act") and Commission regulations by accepting a \$175,000 cash contribution in 1998 from Dr. Carlos Rodríguez Mateo, in exchange for Resident Commissioner Carlos Romero Barceló's assistance in the acquisition of the Center for Diagnosis and Treatment ("CDT") in Salinas, Puerto Rico. After the purchase of CDT, Mr. Carlos Romero Barceló's campaign received \$12,500 in contributions from employees of Med-Sur, a healthcare company of which Dr. Carlos Rodríguez Mateo is President.

II. FACTUAL AND LEGAL ANALYSIS

A. Allegations

On October 12, 1999, this Office received a complaint from the Honorable Anibal Acevedo Vilá, candidate for Resident Commissioner in 2000 against Carlos Romero-Barceló, Resident Commissioner of the Commonwealth of Puerto Rico since 1993 and incumbent candidate in 2000. Mr. Acevedo Vilá does not seem to have any personal knowledge of the facts alleged in the complaint. Rather, he appears to have adopted the allegations made by Andres Sánchez Delgado, the alleged former driver and bodyguard to Carlos Rodríguez Mateo, President of Medicina Preventiva del Sur and part of Carlos Romero Barceló's fundraising committee.

It appears from newspaper accounts that in early 1998, the Puerto Rican government began accepting bids for the private purchase of a Commonwealth-owned Treatment and Diagnostic Clinic (CDT) in Salinas. Medecina Preventina del Sur ("Med-Sur"), the company presided over by Carlos Rodríguez Mateo, submitted a bid to acquire the CDT. The process was controlled and conducted by the Government Development Bank of Puerto Rico. Although government reports estimated the value of the CDT at nearly \$2.4 million, it was sold for \$1,150,000 to Med-Sur. According to newspaper reports, the former Government Development Bank President Marcos Rodríguez Emma stated that Carlos Rodríguez Mateo won the bid because he promised not to fire any CDT employees and because his bid was the highest of the three received.

The complaint alleges that in August or September of 1998, Andres Sánchez Delgado, pursuant to orders from Carlos Rodríguez Mateo, delivered \$175,000 to Domingo Garcia Camacho, District Director to Carlos Romero Barceló. This money was allegedly for Carlos Romero Barceló's 2000 campaign for Resident Commissioner of Puerto Rico² and was in exchange for Carlos Romero Barceló's assistance in the acquisition of the CDT for a price much lower than market value. Attached to the complaint are three affidavits sworn to by Andres Sánchez Delgado which flesh out the details of the alleged money exchanges.

That on or about August or September, 1998, while I was at a New Progressive Party activity related to the 1998 Plebiscite,

² Although the Resident Commissioner of Puerto Rico has privileges in the House of Representatives similar to those of Delegates from the District of Columbia and certain territories, elections for Resident Commissioner are held every four years rather than every two.

Dr. Rodríguez Mateo and I approached Carlos Romero Barceló, to whom Dr. Rodríguez Mateo said: "Carlos, I have a gift for you. It's a little money. Since you helped me so much with clinic deal. I have this for you." Carlos Romero responded: "all right!; I need them!". Then, Dr. Rodríguez said to me: "Andy, go to the car with Domingo Garcia, who is one of Carlos' assistants and get the Converse bag with Carlos' money and give it to him. Be careful, you know that there are \$175,000.00 and things are not going well." I went to the car, opened the trunk, grabbed the bag, which was an old blue bag with white handles, I made sure that the money was in the bag by opening the zipper and looking inside, and, then, I gave the bag to Domingo who grabbed it and left.

Excerpt from first Affidavit of Andres Sánchez Delgado, given August 27, 1999.³

It is important to note that although the complaint alleges that the \$175,000 in cash was a contribution in connection with Romero Barceló's campaign for reelection, no reference to Carlos Romero Barceló's campaign or his committee is contained in any of Sánchez Delgado's affidavits. The statements allege only a \$175,000 cash payment to Carlos Romero Barceló personally that was given to Carlos Romero Barceló's district director, Mr. Garcia Camacho.⁴

³ News accounts indicate that Sánchez Delgado made the statements not for the purposes of the complaint, but in connection with a lawsuit he filed against Rodríguez Mateo alleging, among other things, wrongful termination and sexual harassment.

⁴ Mr. Andres Sánchez Delgado also alleges in his sworn statement attached to the complaint that he was instructed by Carlos Romero Barceló to deliver \$150,000 for the Governor's campaign fund to Angel Morey, former Chief of Staff for Governor Pedro Rossello Gonzalez. Allegedly, this money was to be delivered at the direction of the assistant to then Government Development Bank President Marcos Rodrigues Emma, because the CDT was purchased by Carlos Rodriguez Mateo at such a low price. However, because there would be no violation of the Act assuming these allegations are true, this Report does not discuss this subject in further detail. See Analysis of Angel Morey, *infra*.

Between July 7 and December 21, 1998, contributions of at least \$12,500 were received by Carlos Romero Barceló's committee from individuals related to or employed by Med-Sur, including Carlos Rodríguez Mateo. Mr. Carlos Rodríguez Mateo does not deny making political contributions to Carlos Romero Barceló, but states that they have been within the limits of the Act and have been fully reported by Carlos Romero Barceló's campaign committee, also known as Comité Eleccion de Carlos Romero Barceló al Congreso, Inc. Mr. Carlos Rodríguez Mateo does deny giving the \$175,000 to Carlos Romero Barceló in exchange for his help in acquiring CDT. Counsel for Carlos Rodríguez Mateo states that Carlos Romero Barceló's assistance was unnecessary because the Med-Sur bid was the highest and was also the only one that guaranteed that the CDT employees would be able to keep their jobs.

In his response, Resident Commissioner Carlos Romero Barceló submits, under oath, statements from himself, his District Office Director Domingo Garcia Camacho, and Carlos Rodríguez Mateo who all deny any wrongdoing. Mr. Garcia Camacho, who is alleged to have received the \$175,000 from Andres Sánchez Delgado, does not remember ever meeting him and states he has never received anything of value from Andres Sánchez Delgado. Mr. Carlos Rodríguez Mateo states that he "never asked or ordered Mr. Sánchez Delgado to provide cash or anything of value" to either Mr. Garcia Camacho or Carlos Romero Barceló. Mr. Carlos Romero Barceló states that he has never received anything of value from Andres Sánchez Delgado. Finally, Miguel Carbonell, treasurer for Carlos Romero Barceló's campaign committee during the time in question states in his affidavit appended to Mr. Carlos Romero Barceló's response that, during his tenure, the

"campaign committee did not receive any funds, directly or indirectly," from either Andres Sánchez Delgado or Carlos Rodríguez Mateo other than the campaign contributions that were reported.

On January 5, 2000, the *San Juan Star* ran an article regarding Mr. Sánchez Delgado. See Attachment 1. According to the article, Mr. Sánchez Delgado was being questioned by federal authorities in a probe into the Med-Sur clinic owned by Dr. Rodríguez Mateo. In addition, the *San Juan Star* reports that federal authorities are investigating whether Med-Sur defrauded Humana of \$5 million. The article also mentions that Mr. Sánchez Delgado has received death threats as a result of his allegations, at least some of which are the basis of the complaint herein.

Subsequent news accounts -- provided unsolicited by Respondents, by the Complainant in supplements to the complaint, and some of which were independently obtained by this Office -- indicate that Mr. Sánchez Delgado has changed his story on numerous occasions.

On March 30, 2000, the *San Juan Star* reported that Mr. Sánchez Delgado initially stated that members of the New Progressive Party ("NPP"), the party of Resident Commissioner Romero-Barceló and Carlos Rodríguez Mateo, attempted to bribe him into changing his story regarding the illegal donations. However, the account went on to state that Mr. Sánchez Delgado later retracted the bribery charges, stating that members of the opposing party, the Popular Democratic Party ("PDP"), of which the Complainant Anibal Acevedo Vilá is apparently a leading member, instigated him to lie. The news account also indicated that Sánchez Delgado made a tape recorded statement to this effect. See

Attachment 2. The following day, the *San Juan Star* reported that Mr. Sánchez Delgado had reversed himself again and now stated that operatives of the NPP attempted to "bribe him into saying the PDP was behind his accusations" with money, a house for his ex-wife and a job. Further, the news accounts quote Mr. Sánchez Delgado as alleging that Carlos Rodríguez Mateo threatened Sánchez Delgado's grandfather unless Sánchez Delgado followed instructions. Mr. Sánchez Delgado said he then made the tape recording in which he implicated the PDP and supposedly admitted that he lied when making his original allegations. The news account also quotes Sánchez Delgado as saying he was instructed to say he was paid \$10,000 to make the original allegations, but that he "later backed away from this deal." See Attachment 3.

According to still later newspaper accounts, Sánchez Delgado now claims that he does not know Angel Morey, nor has he ever talked to him. He also recants giving Mr. Morey the \$150,000 outside the restaurant. Further, he now denies delivering \$175,000 to Domingo Garcia on behalf of Carlos Rodríguez Mateo. He states that he made the allegations on the promise of money and benefits from leaders of the PDP. According to newspaper accounts, a polygraph taken by Andres Sánchez Delgado on May 11, 2000 indicates that he is telling the truth when he says that he made false accusations against Carlos Romero Barceló, Angel Morey, and other leaders of the NPP. There is a suggestion in the newspaper articles that Anibal Acevedo Vilá is one of the people who Sánchez Delgado now claims put him up to this elaborate ruse. However, these most recent accounts have been provided as supplements to the complaint by Mr. Acevedo Vilá himself.

B. Analysis

1. Angel Morey

Although this Office looks upon the allegation of a \$150,000 payment to Mr. Angel Morey, former Chief of Staff to Governor Pedro Rossello Gonzalez, as important background to this case, there is no violation of the Act assuming it did occur. Therefore, this Office recommends finding no reason to believe that Angel Morey committed a violation of the Act.

2. Carlos Romero Barceló and Associated Respondents

This Office recommends that the Commission take no action with respect to any of the remaining respondents, , and close the file. It appears unlikely that the Act was violated. This Office seriously questions the credibility of Mr. Sánchez Delgado based on his numerous recantations and changes of story. In fact, this Office recently received information from Mr. Sánchez Delgado indicating that his original statements are untrue.

On September 5, 2000, this Office received documents from Mr. Sánchez Delgado, including a letter and attached polygraph results. *See Attachment 4.* In his letter, Mr. Sánchez Delgado states that he was recruited by Mr. Aníbal Acevedo Vilá, the complainant in this matter, "to make false and defamatory statements about Congressman Carlos Romero Barceló and the Commonwealth of Puerto Rico's Secretary of State, Mr. Angel Morey." The Polygraph Examination was requested by a representative of El Vocero de Puerto Rico, the newspaper investigating Mr. Sánchez Delgado's original allegations. The conclusion of the Polygraph Examination, which was administered on

May 11, 2000, states that "it is concluded that he [Mr. Sánchez Delgado] was not practicing deception (was truthful) when stating that he had made false statements against Dr. Rodriguez Mateo, Mr. Barcelo," Mr. Morey and Mr. Garcia, among others. It goes on to say that it is concluded that Mr. Sánchez Delgado "was a participant in providing false derogatory information about the aforementioned individuals," that he attended meetings where, among others, Mr. Aníbal Acevedo Vilá was "in attendance and he [Mr. Sánchez Delgado] was asked to provide false and derogatory information, and that he never provided any money to Mr. Garcia or Mr. Morey." This most recent information is concordant to the denials from all accused parties this Office has received.

This Office is aware of no other corroborating information to bolster Mr. Sánchez Delgado's original story. In fact, even if Mr. Sánchez Delgado's original sworn statements were true, neither the statements nor other information on the public record indicate that the \$175,000 payment was a campaign contribution. There is no record of contributions to Carlos Romero Barceló either individually or in a lump sum approaching the \$175,000 at any time during this period. Contributions to Mr. Romero Barceló's campaign from all sources from July 1, 1998 through December 31, 1998 total \$171,302.03. There is no information that the \$175,000 attested to by Mr. Sánchez Delgado was intended or used for Carlos Romero Barceló's campaign. There is also no reference to Romero Barceló's campaign or committee in Sánchez Delgado's recollection of the circumstances surrounding the alleged payment. In contrast, Mr. Sánchez Delgado's allegations regarding Angel Morey specifically referred to the payment being for the non-federal campaign committee of the governor of Puerto Rico.

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First General Counsel's Report

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III. RECOMMENDATIONS

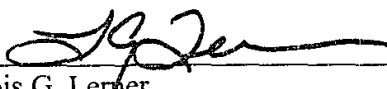
1. Find no reason to believe that Angel Morey violated the Act and close the file as to this Respondent.
2. Take no action with respect to Carlos Rodríguez Mateo, Miguel J. Carbonell, Domingo García Camacho, Andres Sánchez Delgado, Carlos Romero Barceló, Comite Eleccion de Carlos Romero-Barceló al Congreso, Inc. and Raul Maldonado-Gautier, as Treasurer.

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4. Approve the appropriate letters.
5. Close the file.

Lawrence M. Noble
General Counsel

9/15/00
Date


BY: Lois G. Lerner
Associate General Counsel

Attachments:

1. January 5, 2000, *San Juan Star* article
2. March 30, 2000, *San Juan Star* article
3. March 31, 2000, *San Juan Star* article
4. September 5, 2000 Submission by Andres Sánchez Delgado

LOCAL NEWS

Firms may sue flawed computers

REPORT BY
R. J. VELEZ

erto Rican government could sue computer who knowingly sold machines to the government were not Y2K compliant to recoup some of the \$80 million invested in updating systems.

Information was provided by New Progressive Party Sen. Kenneth McClintock after a meeting Tuesday with the Government and Federal Affairs Committee, also attended by Office of Management and Enterprise Director Jorge Aponte and 911 Emergency System Director Miguel Santini.

McClintock explained that the government could sue the vendors who knowingly sold computers to the government that did not recognize the year 2000, even though the systems could have been updated, which would have saved the government millions it had to spend to correct its systems.

He recommended to agencies a year ago to keep a record of what the government was doing so that the Department can determine whether a vendor is to recoup some of the money from firms that this could happen," McClintock said. He also said that some companies, like Apple Inc., have been manufacturing Y2K compliant computers since the 1980s.

He said he has a 1984 Apple computer that made the transition from 1999 to 2000 and McClintock said the 1994 Macintosh at his office was also compliant and the Senate government committee plans to report to the Justice Department so it can take the next course of action.

As discussed was whether the millennium bug could have been foreseen or not by the firms, what is the next course of action," Aponte said. Aponte nor McClintock named any specific



New Progressive Party Sen. Kenneth McClintock, shown at left in this file photo, said the government is considering suing computer vendors who knowingly sold machines to the government that were not Y2K compliant to recoup some of the \$80 million invested in updating systems.

STAR file photo

Feds grill Sánchez Delgado on Medsur case

By STAR Staff

Andrés Sánchez Delgado, the man who charged last year that he gave \$325,000 to two top New Progressive Party officials on behalf of his former boss, was questioned Tuesday by federal authorities in a probe into the Medsur clinic.

Federal authorities are investigating allegations that Medsur, located in Salinas, allegedly defrauded Humana of \$5 million, Sánchez Delgado said Tuesday.

"They asked me if I knew how the fraud was committed," he said. Sánchez Delgado said he was questioned for two hours by federal officials but he declined to

discuss the specific questions he was asked.

Last September, Sánchez Delgado in a sworn statement claimed he gave \$140,000 to La Fortaleza Chief of Staff Angel Morey and \$150,000 to an aide to Resident Commissioner Carlos Romero Barceló on behalf of Medsur owner Carlos Rodríguez Mateo, allegedly for their help in paving the way for the doctor to acquire the Diagnostic and Treatment Center in Salinas.

Those allegations, contained in a sexual harassment suit Sánchez Delgado filed against Rodríguez Mateo, were strongly denied by Morey and Romero Barceló.

Sánchez Delgado said he worked for Rodríguez Mateo as chauffeur and bodyguard, something the doctor has denied, but was fired for refusing to participate in money transactions.

Sánchez Delgado said he was not asked about the sexual harassment suit but about death threats he has received over his allegations.

Last year, he said four individuals came looking for him at his Carolina apartment. He also says he has received death threats over the phone.

"They asked about things I have seen and if I knew how Medsur billed Humana," he said.

Although Tuesday's meeting was held to assess damages caused by the millennium bug, McClintock said there were no damages although he said the next three weeks are still crucial.

The Y2K bug causes computer systems to go awry as

of talent was found that would allow for new technologies in government such as his proposed Digital Law, which would allow citizens to conduct transactions with the government over the Internet.

Attachment 1

Page 1 of 1

The San Juan Star 35¢

www.thesanjuanstar.com

UTTER PRIZE-WINNING PUBLICATION IN PUERTO RICO Thursday, March 30, 2000 PUERTO RICO

Morey: PDP trying to 'manipulate public opinion'

By ROSARIO FALARDO
Of the STAR Staff

Calling it a "sad, black day in the history of Puerto Rico," Secretary of State Angel Morey accused the Popular Democratic Party Wednesday of conspiring to ruin his reputation for political gain.

The PDP is trying to manipulate public opinion with this campaign of lies," Morey told reporters at La Fortaleza. "I have spoken with the Justice Department and my lawyer and this

will be investigated in full, until the last possible consequences."

He also predicted that once the Puerto Rican people "know the truth," the PDP members involved would pay with their political careers.

Morey was reacting to news reports that a former chauffeur had charged several members of the New Progressive Party with trying to bribe him so that he could change his testimony about illegal donations he allegedly gave to Morey and an employee of Resident Commissioner Carlos Romero Barceló.

Andrés Sánchez Delgado, the ex-chauffeur of Carlos Rodríguez Mateo, owner of the Salinas Diagnostic and Treatment Center, later retracted these bribery charges, claiming that PDP Vice President Anibal Acevedo Vilá, among other PDP members, instigated him to lie.

Acevedo Vilá denied the charges Wednesday, saying he had never conspired with Sánchez Delgado.

According to an EFE News Agency report, Acevedo Vilá said he never met with Sánchez Delgado, adding that the

first time he had ever met the man was when the ex-chauffeur appeared before the House last year.

He added that the accusations against him emerged only after he accused NPP gubernatorial candidate Carlos Pesquera with improperly and favoritism regarding Ports Authority contracts with the Dubón family, who are leading NPP contributors.

Both Morey and Romero Barceló also have denied the corruption charges against them, calling Sánchez Delgado a liar.

LOCAL NEWS

Sánchez now claims NPP tried to bribe him into blaming PDP

BY EVA LLÓRENS VELEZ
Of the STAR Staff

Andrés Sánchez Delgado, the chauffeur who claimed delivered money from his former boss to two top New Progressive Party officials, is now claiming Bayamón NPP political operatives tried to bribe him into saying the Popular Democratic Party was behind his accusations.

Sánchez has been issuing a stream of accusations against prominent public figures since he filed a sexual harassment lawsuit against his former employer.

In a March 24 sworn statement, Sánchez alleges that aides to Bayamón Mayor Ramón Luis Rivera offered him money to say that Rep. Anibal Acevedo Vilá, Rep. Guillermo Valero and attorney Nicolás Noguerras forced him to make false accusations against Secretary of State Angel Morey and Resident Commissioner Carlos Romero Barceló.

The aides could not be reached for comment Thursday.

Sánchez filed a sexual harassment suit in 1989 against Carlos Rodríguez Mateo, who is the NPP mayoral candidate for Salinas.

Sánchez alleged in the suit that he delivered, on separate occasions, over \$200,000 to Morey and Romero as a reward for their helping Rodríguez Mateo to purchase the Salinas Diagnostic and Treatment Center.

Morey and Romero have denied the charges. The House Government Committee recently questioned

Sánchez about the events at Morey's confirmation hearings.

In the most recent twist, Sánchez now claims he was forced to make a tape recording contending that Acevedo Vilá, Valero and Noguerras forced him to lie about the incidents. Noguerras, a former NPP senator, is Sánchez's lawyer in the suit against Rodríguez Mateo. According to the sworn statement, Sánchez said Rodríguez Mateo spoke to him on the phone and threatened to harm his grandfather unless he followed instructions.

Sánchez said he later met with two aides to Mayor Rivera, who allegedly told him they would give him money, a house for his ex-wife and a job if he said his statements about Morey and Romero were lies and that he was put up to it by the PDP officials.

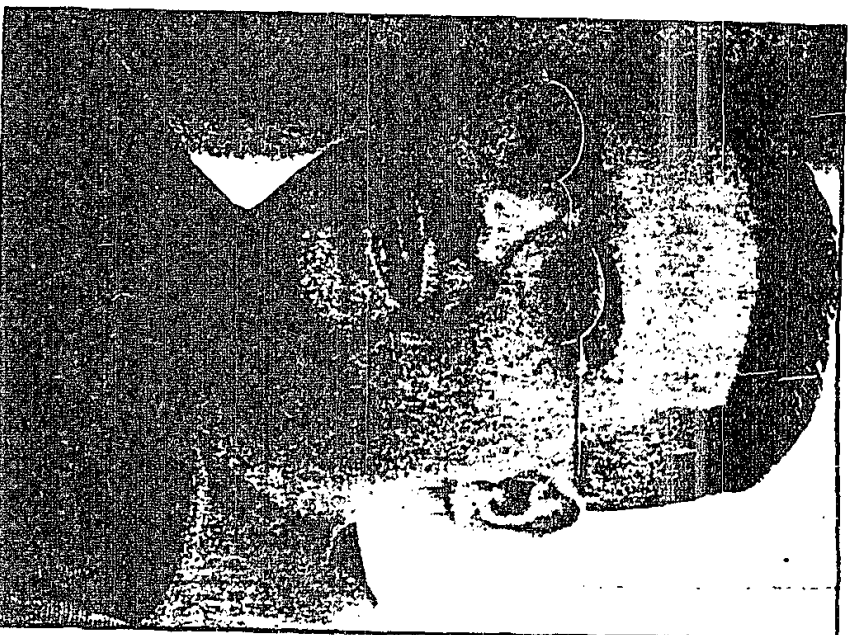
Sánchez said he agreed. The aides later took him to a Bayamón attorney's office, where he made a tape recording implicating the PDP legislators and acknowledging that he lied. He said he was also instructed to say he was paid \$10,000 to say it.

He said he later backed away from the deal.

Romero Barceló called upon Acevedo Vilá to undergo a lie detector test on the charges.

"His participation as part of this plot to do me harm as a candidate for the position he aspires to attain is evident and will prove true in due time," Romero said. Acevedo Vilá is running against Romero for resident commissioner.

Acevedo Vilá called the charges false. "I never saw



STAR file photo

Andrés Sánchez Delgado

Sánchez until the day he came to the Legislature."



FEDERAL ELECTION COMMISSION
Washington, DC 20463

MEMORANDUM

TO: Office of the Commission Secretary

FROM: Office of General Counsel *KCS*

DATE: September 18, 2000

SUBJECT: MUR 4934- First General Counsel's Report

The attached is submitted as an Agenda document for the Commission Meeting of _____

Open Session _____

Closed Session _____

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